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C O N F I D E N T I A L SECTION 01 OF 03 CHENGDU 000206

SIPDIS

DEPT FOR EAP/CM AND EAP/MLS - LAURA SCHEIBE

E.O. 12958: DECL: 9/28/2019

TAGS: PREL PHUM PGOV PREF BM CH

SUBJECT: BURMA: YUNNAN LOCALS ON THE BORDER SITUATION

REF: A) CHENGDU 203, B) RANGOON 601, C) CHIANG MAI 130, D) BEIJING 2493

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CLASSIFIED BY: David E. Brown, Consul General.

REASON: 1.4 (b), (d)

¶1. (SBU) Summary: A range of local Kunming residents, including jade sellers and travel agencies with ongoing business along the border, expressed uncertainty regarding long-term security in border areas following the August conflict in Kokang. A larger jade operation in Kunming, and local sellers in Jinghong, Xishuangbanna, however, reported business as usual. Travel agencies in Kunming confirmed that Chinese authorities have recently implemented new restrictions on travel in the Kokang border areas, including a ban on Chinese cross-border tour groups. Cross-border travel in the popular Xishuangbanna tourist area, though down in volume, does not appear to be subject to the restrictions applicable in the Kokang border area. Although not designated as official refugees, an unknown number of those who fled the Kokang conflict remain in Yunnan. End summary.

¶2. (SBU) The following compiles information gathered during separate ConGenOff and EmbOff trips to Yunnan province September 15-18, including the provincial capital of Kunming and the Xishuangbanna Dai Autonomous Prefecture, bordering Burma. Discussions with Kunming-based scholars during these trips are detailed in Ref A.

Kunming Residents Uncertain about Border Area Security

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¶3. (SBU) Jade sellers, travel agency staff, and drivers in Kunming -- many of whom either themselves travel regularly to the border area or have relatives and friends that do so -- told ConGenOff and LES on September 17 that, given the paucity of Chinese media coverage inside Burma, they lack reliable information on the situation along the border. In addition, their informal cross-border information networks indicated uncertainty about the security situation across the border. (Note: Yunnan residents easily travel back and forth in the border area. Extensive personal networks mean official border crossings are often avoided. End Note.) Locals advised against travel across the border, saying "the security situation is not good now" and that a state of war was continuing ("hai zai dazhan"). Others described the current situation as relatively calm, but only temporarily so, expressing the view that Burmese and Chinese authorities are focused on keeping things quiet in the lead-up to China's National Day on October 1, but that conflict could erupt thereafter. (Comment: Embassy Rangoon notes that there is nothing to suggest that Chinese National Day plays into Burmese authorities' calculations, and that sources indicate the GOB is not anxious to break its ceasefire agreements. End comment.)

Burmese Jade:

Trade Still Flowing, but Some Report Increased Difficulties

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¶4. (SBU) Wholesale sellers of Burmese jade in Kunming (most of which is processed either in Guangdong or local small scale "home factories") told us that supply lines were now less stable and that doing cross-border business had become "much more difficult". One seller told ConGenOff that she often travels to Burma, but became nervous and refused to talk further when asked about the current situation. Another, whose husband travels there regularly, emphasized that the situation is "not secure now" and that it is "not a good time to go." A third, whose son and husband travel to the border regularly, told us that crime against Chinese in the border areas has increased markedly in recent weeks. Several noted that they previously did not buy raw jade in large volumes, feeling that the supply was secure, but are now worried and trying to buy larger quantities on each visit.

¶5. (SBU) However, a manager at Tailigong Jewelry, a large jade importer and processor that sources its raw materials from its own mining site in Burma and ships them via truck into Yunnan, told us that they have no major concerns regarding the security situation or their supply lines, and have been able to continue business as usual. Jade merchants in Jinghong, Xishuangbanna's largest city, lying several hundred kilometers south of the Kokang border area and bordering the southern Shan State's Special Region 4, also reported no disruption to their jade supplies. (Note: Jade merchants in Jinghong told EmbOff they sourced their jade from Ruili, either processing it locally or in Guangdong. Transportation infrastructure between Ruili and Jinghong is limited, requiring several days driving over bad roads according to local sources; Kunming, on the other hand, is linked to both Ruili and Jinghong both by regular flights and better roads. End note.)

New Restrictions for Chinese Cross-border Travel in Kokang Border Area; Situation Normal in Xishuangbanna

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¶6. (SBU) Travel agents in Kunming confirmed several new government restrictions on travel in the Kokang border areas implemented in recent weeks. Staff at one company, which regularly arranges border area tours and employs Burmese speaking local guides, told ConGenOff they received sudden instructions on September 15 from the Public Security Bureau of Ruili to suspend all cross-border travel. Travel agency staff also said that most Chinese citizens, other than local residents, were currently barred from travel to Nansan, the border town south of Ruili to which refugees from the August Kokang clashes fled. They emphasized that these restrictions were in addition to the standard policies in place prohibiting most non-Chinese citizen travel to Burma via land border crossings, and also barring cross-border travel to "Tibetans, Uighurs or retired soldiers," and expected the restrictions to remain in place at least through the PRC National Day holiday in October, possibly longer. Other travel agents had less specific information regarding the currently applicable restrictions, but generally confirmed increased official limits on border area travel. (Bus drivers and ticket sellers at Kunming's main bus station, however, were ready and willing to take on both domestic and foreign passengers to Nansan, and said they knew of no restrictions.)

¶7. (SBU) EmbOff observed no travel restrictions or active checkpoints during a visit to two border crossings in the popular tourist destination of Xishuangbanna prefecture during a September 17-18 visit. At the main border crossing in Da Luo (opposite the Burmese town of Mengla in Burma's Special Region 4), no restrictions on crossing the border were evident, though a Chinese citizen who said he had just returned from Burma commented that the volume of cross-border traffic at Da Luo was many times smaller than usual, a fact he attributed to the

ongoing preparations for fighting in the Wa and Mongla border areas to the north and west. Other locals agreed that fighting was imminent over the border, one suggesting that fighting would likely breakout after the PRC National Day holiday. At a border trade crossing near the Burma and Laos border (east and south of Da Luo), EmbOff observed dozens of Chinese trucks and a small number of Yunnan province-licensed passenger vehicles heading into Burma, though no Burma-based traffic crossing into China. Chinese truck drivers said they were picking up "iron ore" from a location about 60 kilometers inside Burma and reported no difficulties in travel. People's Armed Police affirmed that while they had heard of continuing tensions on the Burmese side of the border, the area at the border crossing remained calm.

¶18. (SBU) A Burmese Consulate official in Kunming informed ConGenOff that the Consulate was processing visas as normal during their daily visa section hours, for both Chinese (two-three days to process) and foreign citizens (one week to process). However, he said that all travelers must go via air, as land border crossings were shut down "over two months ago" in accordance with an agreement by a bilateral border committee. He did not specify the composition of this committee. (Comment: The claim that the border has been shut down for two months clearly contrasts with reality on the ground, but is arguably indicative of both the inconsistency characterizing the border regime, as well as the ongoing contrast between official pronouncements and reality on the ground regarding border-area developments. End comment.)

Refugees: Officially Non-existent, but Many may Remain

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¶19. (SBU) As discussed in ref A, scholars with whom we spoke noted that although a number ("yi bufen") of the Kokang residents who fled into China during last month's clashes have now returned, an uncertain but large number remain and many of those who hold Chinese citizenship may not return at all. Chinese authorities are, according to one scholar, determined not to designate anyone fleeing conflict in Burma as a refugee (nanmin), instead referring to them as "border civilians" (bianmin).

¶10. (SBU) According to one local, the Burmese Consulate in Kunming is actively engaged in efforts to placate the "border civilians" who were negatively impacted by the Kokang conflict. He described the situation of a friend, a Kokang businessman whose wife had been injured during the clashes and was now recuperating at a family home Kunming. Burmese Consulate officials had visited the couple to apologize, had continued regular visits since, and are providing them with income support, he reported.

¶11. (C) A project manager at Save the Children UK's Kunming office told ConGenOff that Chinese authorities turned down the

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NGOs offer to assist those fleeing the Kokang violence. She reported that the organization's Beijing headquarters had instructed her to approach the Yunnan Public Security Bureau (PSB), with whom they cooperate extensively on anti-trafficking in persons programs, to inquire about performing a needs assessment and arranging assistance to the refugees. In response, PSB officials told her the organization was "not allowed" to pursue the issue further. (Note: Save the Children normally provides child protection assistance in refugee situations, for example their Bangkok operation coordinates extensive assistance to Burmese refugees in Thailand. End note.) She noted that the lack of official information regarding refugee flows into China was a long-standing issue, citing as an example the large numbers that came across the border in the wake of Cyclone Nargis in 2008. At that time, local PSB contacts told Save the Children of a significant increase in the Burmese presence in southern Yunnan, but NGO staff had been unable to obtain a specific information on the refugee influx.

~~¶~~12. (U) This cable was coordinated with Embassy Rangoon and  
Embassy Beijing.

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